



PRESS RELEASE

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IRS – Criminal Investigation

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Virginia Couple Sentenced to Prison in Tax Fraud Scheme

Defendants Submitted False Information to the IRS and Social Security Administration

Two Bedford, Virginia, residents were sentenced to prison today for criminal offenses arising out of a four-year scheme to defraud the Internal Revenue Service (IRS) and the Social Security Administration, announced Acting Assistant Attorney General Caroline D. Ciraolo and U.S. Attorney John P. Fishwick Jr. of the Western District of Virginia.

Edgar Foxx, 50, and Contina Foxx, 42, were sentenced to prison terms of 41 months and 30 months, respectively, by U.S. District Judge Norman K. Moon of the Western District of Virginia following their convictions by a Lynchburg, Virginia, jury for criminal tax offenses. Judge Moon also ordered the defendants to pay \$147,708 in restitution and serve three years of supervised release following their release from prison.

“Our nation’s tax system relies upon citizens to truthfully, accurately and timely report their income to the IRS,” said Acting Assistant Attorney General Ciraolo. “When people like Mr. Foxx fail to file their income tax returns or file false tax returns and fail to pay the taxes they owe, and when individuals like Mrs. Foxx submit false information to government agencies in order to obtain benefits, they take advantage of, and place an undue burden on, honest taxpayers who pay their fair share. The Justice Department stands ready to prosecute these offenders and hold them accountable for their crimes.”

“Every year, millions of Americans file their taxes and fulfill their civic obligation,” said U.S. Attorney Fishwick. “They must be able to do this knowing the process is safe and reliable. When individuals fail to pay their obligations the entire system suffers. We are proud to work with the Tax Division on holding accountable those who attempt to defraud the tax system.”

“Federal income tax compliance should be equally shared among all Americans,” said Special Agent in Charge Thomas Jankowski for IRS-Criminal Investigation’s (IRS-CI) Washington DC Field Office. “IRS-CI will continue focusing investigative efforts on individuals who contribute to the tax gap and do not comply with the law. Today’s sentencing is a reminder that there are detrimental consequences for this type of criminal behavior.”

Edgar and Contina Foxx were convicted on Nov. 6, 2015, following a four-day trial before Judge Moon. Edgar Foxx was convicted of filing a false 2008 income tax return, failing to file his 2009

through 2011 tax returns and theft of government money. Contina Foxx was also convicted of theft of government money as well as providing a false statement for health care benefits. According to evidence introduced at trial and witness testimony, the Foxxes, who are married to one another, owned and operated a metal recycling business between 2008 and 2012. They gathered scrap metal materials including junk cars and old appliances and sold them to recycling facilities in Southwest Virginia and Tennessee. During the 2008 through 2011 time period, the Foxxes received over \$500,000 in payments from several metal recycling companies, and failed to report any of this income on their 2008 through 2011 individual income tax returns. At the same time, Contina Foxx provided false information to the Social Security Administration by failing to disclose the income earned from the metal recycling business. As a result, the Foxxes unlawfully received approximately \$80,000 in Medicaid benefits between 2010 and 2012.

Acting Assistant Attorney General Ciraolo and U.S. Attorney Fishwick commended special agents of IRS-Criminal Investigation, the Office of Inspector General for the Social Security Administration, the Office of Inspector General for the Department of Health and Human Services, the Bedford Department of Social Services and the Bedford County Sheriff's Office, who investigated the case and Assistant U.S. Attorneys Patrick Hogeboom and Charlene Day of the Western District of Virginia and Trial Attorney Joseph M. Giannullo of the Tax Division, who prosecuted the case.

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